

Ordinance No. 123550

Council Bill No. 117110

AN ORDINANCE relating to the Multifamily Housing Property Tax Exemption Program; amending Sections 5.73.040, 5.73.050, 5.73.060, 5.73.065, 5.73.080, 5.73.090, and 5.73.120 of the Seattle Municipal Code; amending Section 2 of Ordinance 121415; and ratifying and confirming certain prior acts.

The City of Seattle – Legislative Department

Council Bill/Ordinance sponsored by: Nick Lesch

Committee Action:

Date	Recommendation	Vote
	as amended (circled) 2-0 SC, TR	1 abstain NL
	2/23/11	(41)

Related Legislation File: _____

Date Introduced and Referred: 2.22.11	To: (committee): Housing, Human Services Health + Education
Date Re-referred:	To: (committee):
Date Re-referred:	To: (committee):
Date of Final Action: Feb. 28, 2011	Date Presented to Mayor: March 1, 2011
Date Signed by Mayor: 3.9.11	Date Returned to City Clerk: 3.9.11
Published by Title Only <input checked="" type="checkbox"/>	Date Vetoed by Mayor:
Published in Full Text <input type="checkbox"/>	Date Passed Over Veto:
Date Veto Published:	Date Returned Without Signature:

This file is complete and ready for presentation to Full Council. _____

Full Council Action:

Date	Decision	Vote
Feb. 28, 2011	PASSED as Amended (circled)	8-0 (excused: Burgess)

ORDINANCE 123550

AN ORDINANCE relating to the Multifamily Housing Property Tax Exemption Program; amending Sections 5.73.040, 5.73.050, 5.73.060, 5.73.065, 5.73.080, 5.73.090, and 5.73.120 of the Seattle Municipal Code; amending Section 2 of Ordinance 121415; and ratifying and confirming certain prior acts.

WHEREAS, Chapter 5.73 of the Seattle Municipal Code was adopted by Ordinance 121415 and amended by Ordinances 121915 and 122730; and

WHEREAS, Ordinance 121415 requests the Executive to periodically prepare reports on program activity and recommend program modifications if needed; and

WHEREAS, Ordinance 122730 made substantial changes to the Multifamily Housing Property Tax Exemption Program; and

WHEREAS, the Executive's report dated August 2010 contains recommendations for further program amendments; and

WHEREAS, the City's Multifamily Housing Property Tax Exemption Program expired on December 31, 2010; NOW, THEREFORE,

BE IT ORDAINED BY THE CITY OF SEATTLE AS FOLLOWS:

Section 1. Subsection (~~(5.73.040-B)~~)5.73.040.B of the Seattle Municipal Code, which section was last amended by Ordinance 122730, is hereby amended as follows:

5.73.040 Eligibility

B. In addition to the requirements in (~~(Subsection 5.73.040-A)~~)subsection 5.73.040.A above, rental projects must comply with the following affordability requirements from the date of application for the Final Certificate of Tax Exemption ("Final Certificate") for the duration of the exemption period:

1. A minimum of (~~(twenty)~~)20 percent (~~((20%))~~) of all the units in the Project shall be Affordable Units rented to tenants whose Household Annual Income is at or below (~~(eighty percent (80%))~~) of Median Income for studio units and one-bedroom units, and at or



1 ~~below ninety percent (90%) of Median Income for two-bedroom and larger units)) 65 percent of~~
2 Median Income for studio units, at or below 75 percent of Median Income for one bedroom
3 units, and at or below 85 percent of Median Income for two bedroom and larger units.

4 ***

5
6 Section 2. Section 5.73.050 of the Seattle Municipal Code, which section was last
7 amended by Ordinance 122730, is hereby amended as follows:

8 **5.73.050 Application procedure – Fee((-))**

9 A. The Owner of Multifamily Housing applying for exemption under this chapter shall
10 submit an application to the Director, on a form (~~adopted by the City Council~~) provided by the
11 Office of Housing. The Owner shall verify the application by oath or affirmation. The
12 application shall contain such information as the Director may deem necessary or useful, and
13 shall include:

14 1. A brief written description of the units, and preliminary schematic site and
15 floor plans of the Multifamily Housing units and the structure(s) in which they are proposed to
16 be located;

17 2. A statement from the Owner acknowledging the potential tax liability when the
18 Multifamily Housing ceases to be eligible for exemption under this chapter;

19 3. Information describing how the Owner will comply with the affordability
20 requirements in (~~Subsections 5.73.040 B and C~~) subsections 5.73.040.B and C of this chapter;

21 4. In the case of rehabilitation or conversion of an existing vacant building,
22 verification from DPD of non-compliance with applicable building and housing codes as
23 required under Section (~~5.73.040 A 4~~) 5.73.040.A.4, and an affidavit from the Owner verifying
24 that the residential portion of the building has been vacant for a period of (~~twenty-four~~) 24
25 months prior to filing the application;



1 5. ~~((If available, a))~~ A housing market study that includes comparable rents or
2 sales prices in other nearby housing projects; and

3 6. ~~((For rental projects, a preliminary operating budget, utilizing a form provided~~
4 ~~by the Office of Housing that outlines annual anticipated operating income and expenses for the~~
5 ~~first ten (10) years of project operation))~~ A recent title report confirming the legal description and
6 ownership of the property where the Multifamily Housing is or will be located; evidence
7 satisfactory to the Director concerning the type of Owner entity or entities and organizational
8 structure; a sample signature block for the Owner(s); and evidence satisfactory to the Director of
9 authority of the person or persons signing the application.

10 B. At the time of application under this Section 5.73.050, the Owner shall pay to the City
11 an initial application fee of ~~(((\$6,000.00))~~ \$3,000 if the ~~((Project))~~ project contains only residential
12 uses for which a tax exemption is sought under this chapter, or ~~(((\$6,800.00))~~ \$3,400 if the
13 ~~((Project))~~ project contains any non-residential use. The Director ~~((application fees))~~ shall have
14 the authority to increase the application fee by up to five percent ((5%)) each calendar year
15 following adoption of this Ordinance, unless revised by Ordinance.

16 C. The Director shall notify the Owner within ~~((twenty-eight ()))~~ 28(()) days of the
17 application being filed if the Director determines that an application is not complete and shall
18 identify what additional information is required before the application will be complete. Within
19 ~~((twenty-eight ()))~~ 28(()) days of receiving additional information, the Director shall notify the
20 Owner in writing if the Director determines that the application is still not complete, and what
21 additional information is necessary. An application shall be deemed to be complete if the
22 Director does not notify the Owner in writing by the deadlines in the section that the application
23 is incomplete; however, a determination of completeness does not preclude the Director from
24 requiring additional information during the review process if more information is needed to
25 evaluate the application according to the criteria in this chapter.



1 D. The deadline for application ((is as follows:

2 ~~1. For Owners whose first building permit under SMC Chapter 22 for the Project~~
3 ~~was issued between July 22, 2007 and the effective date of this amendment to this chapter the~~
4 ~~application shall be submitted prior to completion of construction of the Project. Owners who~~
5 ~~meet the foregoing conditions and have previously submitted an application for exemption or~~
6 ~~received a Conditional Certificate of Tax Exemption may reapply for exemption under this~~
7 ~~chapter prior to completion of construction of the Project.~~

8 2. For all others, the application)) shall be ((submitted)) any time before, but no
9 later than, the date the first building permit under ((SMC))Chapter 22((;)) is issued.

10
11 Section 3. Section 5.73.060 of the Seattle Municipal Code, which section was last
12 amended by Ordinance 122730, is hereby amended as follows:

13 **5.73.060 Application review – Issuance of conditional certificate – Denial – Appeal –**
14 **Recording of contract((;))**

15 A. The Director shall approve or deny an application under this chapter within ((ninety
16))90((;)) days after a complete application is submitted to the Director.

17 B. If the application is approved, the ((applicant)) Owner shall enter into a contract with
18 the City((, subject to approval by resolution of the City Council,)) containing the terms and
19 conditions and eligibility for exemption under this chapter. ((The City Council's resolution to
20 approve the applicant's contract with the City shall be adopted within one hundred twenty (120)
21 days of the Director's receipt of a complete application.))

22 C. The Director is authorized to cause to be recorded, or to require the ((applicant or
23 owner))Owner to record, in the real property records of the King County Department of Records
24 and Elections, the contract or such other document(s) as will identify such terms and conditions

1 of eligibility for exemption under this chapter as the Director deems appropriate for recording,
2 including the affordability requirements under this chapter.

3 D. ~~((Upon Council approval of the contract,))~~ Following execution of the contract by the
4 Owner and the City, the Director ~~((shall execute the contract as approved by the City Council,~~
5 ~~and))~~ shall issue a ~~((e))~~ Conditional ~~((e))~~ Certificate of ~~((a))~~ Acceptance of ~~((t))~~ Tax ~~((e))~~ Exemption
6 ~~((“Conditional Certificate”)).~~ The ~~((e))~~ Conditional ~~((e))~~ Certificate shall expire three ~~((3))~~ years
7 from the date of approval unless an extension is granted as provided in this chapter.

8 E. If the application is denied, the Director shall state in writing the reasons for the
9 denial and send notice of denial to the ~~((applicant’s))~~ Owner’s last known address within ten
10 days of the denial.

11 F. An ~~((applicant))~~ Owner may appeal the Director’s denial of the application by filing
12 an appeal to the City Council with the City Clerk within ~~((thirty (30)))~~ 30 ~~((9))~~ days of receipt of the
13 denial. The appeal before the City Council will be based on the record before the Director, and
14 the Director’s decision will be upheld unless the ~~((applicant))~~ Owner can show that there is no
15 substantial evidence in the record to support the Director’s decision. The City Council’s
16 decision on appeal is final.

17
18 Section 4. Section 5.73.065 of the Seattle Municipal Code, which section was last
19 amended by Ordinance 122730, is hereby amended as follows:

20 **5.73.065 Amendment of contract~~((:))~~**

21 A. An Owner may seek an amendment of the contract ~~((approved by the City~~
22 ~~Council))~~ between the Owner and the City by submitting a request in writing to the Director at
23 any time prior to receiving the Final Certificate of Tax Exemption (“Final Certificate”)~~((within~~
24 ~~three (3) years of the date of the Council’s approval of the contract))~~.



1 ~~((B. The Director shall have authority to approve amendments to the contract between~~
2 ~~the Owner and the City that are within the scope and intent of the initial contract approved by the~~
3 ~~City Council. Amendments that are not reasonably within the scope and intent of the initial~~
4 ~~approved contract, as determined by the Director, shall be submitted to the City Council for~~
5 ~~approval by resolution.))~~

6 ~~((C. An Owner seeking amendments to the approved contract, which in the sole~~
7 ~~discretion of the Director require approval by the City Council, shall pay to the City an~~
8 ~~amendment application fee of \$750.00. If the City Council denies the amendment, the City will~~
9 ~~retain that portion of the fee attributable to its own administrative costs and refund the balance, if~~
10 ~~any, to the Owner.))~~

11 ~~((D))~~ B. The date for expiration of the Conditional Certificate shall not be extended by
12 contract amendment unless((:

13 ~~1--))~~ the Director determines that ((A))all the conditions for extension set forth in
14 Section 5.73.070 are met((; or

15 ~~2. The conditions set forth in Section 5.73.070 A and B are met and the City~~
16 ~~Council specifically approves the extension)).~~

17
18 Section 5. Section 5.73.080 of the Seattle Municipal Code is hereby amended as
19 follows:

20 **5.73.080 Final Certificate – Application – Issuance – Denial and appeal((:))**

21 A. Upon completion of the rehabilitation improvements or new construction as provided
22 in the contract between the ~~((applicant))~~Owner and the City, and upon issuance of a temporary
23 certificate of occupancy, or a permanent certificate of occupancy if no temporary certificate is
24 issued, the ~~((applicant))~~Owner may request a Final Certificate ~~((of Tax Exemption))~~. The



1 ((applicant))Owner shall file with the Director such information as the Director may deem
2 necessary or useful to evaluate eligibility for the Final Certificate, and shall include:

3 1. A statement of expenditures made with respect to each housing unit and the
4 total expenditures made with respect to the entire multifamily housing project;

5 2. A description of the completed work and a statement of qualifications for the
6 exemption;

7 3. A statement that the work was completed within the required three-year period
8 or any approved extension; and

9 4. Information on the ((applicant's))Owner's compliance with the affordability
10 requirements in subsections 5.73.040.B and C((G and H)).

11 ***

12 Section 6. Section 5.73.090 of the Seattle Municipal Code, which section was last
13 amended by Ordinance 122730, is hereby amended as follows:

14 **5.73.090 Exemption – Duration – Limits(~~+~~)**

15 A. The value of ((~~new construction and Rehabilitation Improvements~~))Multifamily
16 Housing qualifying under this chapter will be exempt from ad valorem property taxation as
17 provided in RCW 84.14.020 (1) as follows:

18 1. For eligible rental Multifamily Housing as provided in Section 5.73.040, for
19 ((~~twelve~~))12(~~(+)~~) successive years beginning January 1st of the year immediately following the
20 calendar year of issuance of the Final Certificate((~~of Tax Exemption~~)); or

21 2. For eligible units in owner-occupied Multifamily Housing as provided in
22 Section 5.73.040, for eight ((~~8~~)) successive years beginning January 1st of the year immediately
23 following the calendar year of issuance of the Final Certificate((~~of Tax Exemption~~)); or if at
24 least ((~~twenty~~))20 percent ((~~(20%)~~)) of all units in the owner-occupied Multifamily Housing are
25 eligible units, for ((~~twelve~~))12(~~(+)~~) successive years beginning January 1st of the year
26



1 immediately following the calendar year of issuance of the Final Certificate(~~of Tax~~
2 ~~Exemption~~)).

3
4 Section 7. Section 5.73.120 of the Seattle Municipal Code, which section was last
5 amended by Ordinance 122730, is hereby amended as follows:

6 **5.73.120 Expiration of program**

7 The program established by this chapter shall expire on (~~December 31, 2010;~~)
8 December 31, 2015, unless extended by the City Council by ordinance. Upon expiration, no
9 further applications (~~for a Conditional Certificate of Tax Exemption~~) under Section 5.73.050
10 shall be accepted. Incomplete applications shall be returned to the Owner. Pending applications
11 for a Conditional Certificate (~~of Tax Exemption~~), extension of Conditional Certificate(~~of Tax~~
12 ~~Exemption~~) and Final Certificate (~~of Tax Exemption~~) shall be processed as provided in this
13 chapter.

14
15 Section 8. Ordinance 121415, Section 2, is hereby amended as follows:

16 A. Annually, beginning in (~~2005, a committee composed of the Directors, or their~~
17 ~~designees, of)~~ 2012, the Office of Housing (~~(, the Department of Finance, the Department of~~
18 ~~Planning and Development, or such City departments or agencies that shall succeed to their~~
19 ~~functions with respect to this chapter, and a member City Council central staff,)) shall review the
20 Multifamily Housing Property Tax Exemption ((p))Program ((established by this ordinance)) and
21 provide a written report to the City Council, which shall include: (~~outlining~~)~~

- 22 1. A summary of development activity,
23 2. (~~types and~~) The number((s)), size, and affordability level of units planned or
24 produced pursuant to Chapter 5.72 and Chapter 5.73,

1 3. ~~((and their))~~ The number and location((s,)) of projects planned or produced
2 pursuant to Chapter 5.72 and Chapter 5.73,

3 4. The number of projects owned by for-profit and nonprofit entities,

4 5. The rent and sales prices of the affordable and market rate units for projects
5 receiving a Final Certificate in the prior calendar year,

6 6. ~~((information regarding t))~~ The number of low and moderate income
7 households benefiting from the program,

8 7. ~~((t))~~ The estimated total amount of tax exempted annually and cumulatively for
9 individual projects and for the entire program,

10 8. ~~((t))~~ The estimated annual impact of the tax exemption program on the average
11 individual homeowner((s- of)) in the City, ~~((and other appropriate factors.))~~

12 9. The number of approved projects for which the tax exemption has expired or
13 the Final Certificate has been terminated,

14 10. The number of units planned or produced in each Residential Targeted Area
15 pursuant to Chapter 5.72 and Chapter 5.73, and

16 11. As necessary, recommendations from the Office of Housing about how the
17 Multifamily Housing Property Tax Exemption Program might be amended to adapt to any
18 changes in affordable housing incentive programs that apply within the City of Seattle.

19 These reports may include recommendations on whether any neighborhoods should be
20 added or removed, whether affordability limits should be changed in certain areas, and will
21 include analysis of any issues related to the use of the program for homeownership units. The
22 annual report shall be submitted to the City Council no later than March 30 of each year the
23 program is in effect, starting in ~~((2005))~~2012. Each report shall include information for the
24 previous year. In June of ~~((2008))~~2015 the ~~((committee))~~ Office of Housing shall complete a
25 comprehensive review and provide a written report to the City Council regarding the
26
27
28



1 effectiveness of the program. Such review shall include the items included in the annual reports
2 as well as the costs and benefits of the program, an assessment of the affordability limits, and
3 any recommended program modifications.

4 B. The Office of Housing shall also provide the City Council with periodic reports on
5 recently approved applications for the Multifamily Housing Property Tax Exemption Program.
6 These reports shall be submitted to the City Council three times per calendar year and no later
7 than January 31, May 31 and September 30 of each year the program is in effect. Each report
8 shall provide information for the previous four-month reporting period, including:

9 1. The number of applications approved and the locations of the projects
10 described in each approved application,

11 2. The number, size and affordability of units in the projects described in the
12 approved applications,

13 3. The rent and sales prices of the affordable and market rate units,

14 4. The estimated total amount of tax exempted annually and cumulatively for
15 individual projects,

16 5. The estimated annual impact of each project on the average individual
17 homeowner in the City, and

18 6. Information about any pending applications received by the Office of Housing.

19
20 Section 9. Any act taken after passage of this ordinance consistent with the authority and
21 prior to the effective date of this ordinance is hereby ratified and confirmed.



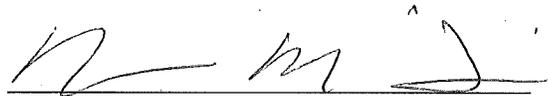
1 Section 10. This ordinance shall take effect and be in force 30 days after its approval by
2 the Mayor, but if not approved and returned by the Mayor within ten days after presentation, it
3 shall take effect as provided by Seattle Municipal Code Section 1.04.020.

4 Passed by the City Council the 28th day of February, 2011, and
5 signed by me in open session in authentication of its passage this
6 28th day of February, 2011.

7 

8 President _____ of the City Council

9
10 Approved by me this 9th day of March, 2011.

11
12 

13 Michael McGinn, Mayor

14
15 Filed by me this 9th day of March, 2011.

16
17 

18 City Clerk

19
20 (Seal)



FISCAL NOTE FOR NON-CAPITAL PROJECTS

Department:	Contact Person/Phone:	CBO Analyst/Phone:
Legislative	Sara Belz/4-5382 (Legislative)	Amanda Allen/4-8894

Legislation Title:

AN ORDINANCE relating to the Multifamily Housing Property Tax Exemption Program; amending Sections 5.73.040, 5.73.050, 5.73.060, 5.73.065, 5.73.080, 5.73.090, and 5.73.120 of the Seattle Municipal Code; amending Section 2 of Ordinance 121415; and ratifying and confirming certain prior acts.

Summary of the Legislation:

This Council Bill will make amendments to the Multifamily Housing Property Tax Exemption (MFTE) Program, Seattle Municipal Code Chapter 5.73.

Background:

The City's MFTE Program expired on December 31, 2010. The proposed Ordinance would reauthorize the program through December 31, 2015. It would also implement changes to the Program's affordability levels, modify the application requirements for projects; authorize the Office of Housing (OH) to approve projects; and enhance the content of the reports on the MFTE Program that OH presents to the City Council. Authorizing OH to approve projects removes the requirement of a Council resolution for every project, resulting in an estimated 50% application fee reduction.

Please check one of the following:

This legislation does not have any financial implications.
 (Stop here and delete the remainder of this document prior to saving and printing.)

This legislation has financial implications. (Please complete all relevant sections that follow.)

Appropriations:

This table should reflect appropriations that are a direct result of this legislation. In the event that the project/programs associated with this ordinance had, or will have, appropriations in other legislation, please provide details in the Notes section below.

Fund Name and Number	Department	Budget Control Level*	2011 Appropriation	2012 Anticipated Appropriation
TOTAL				

*See budget book to obtain the appropriate Budget Control Level for your department.



Appropriations Notes:

Because of the unpredictable nature of MFTE applications, additional appropriations for new program-related fees are not included in the 2011-2012 Adopted Budget. For planning purposes, OH's 2011 and 2012 revenue estimates, below, are based on the approval of four projects per year. OH may seek appropriation authority for these fee revenues once they are received, and once their use is determined.

Anticipated Revenue/Reimbursement: Resulting from this Legislation:

Fund Name and Number	Department	Revenue Source	2011 Revenue	2012 Revenue
Low-Income Housing Fund (16400) – Downtown Housing Maintenance Subfund (16440)	Office of Housing	Fee revenue	(\$13,600)	(\$13,600)
TOTAL			(\$13,600)	(\$13,600)

Revenue/Reimbursement Notes:

The proposed legislation reduces the application fee authorized in SMC 5.73.050 B from \$6,000 to \$3,000 (residential only), and from \$6,800 to \$3,400 (residential plus non-residential uses). The 2011 and 2012 revenue revisions are based on applying the new fee structure to four applications per year for mixed-use projects.

Total Regular Positions Created, Modified, or Abrogated through this Legislation, Including FTE Impact:

Position Title and Department	Position # for Existing Positions	Fund Name & #	PT/FT	2011 Positions	2011 FTE	2012 Positions*	2012 FTE*
TOTAL							

* 2012 positions and FTE are total 2012 position changes resulting from this legislation, not incremental changes. Therefore, under 2012, please be sure to include any continuing positions from 2011.

Position Notes:

No position changes are included in this legislation.

Do positions sunset in the future?

Not applicable.



Spending/Cash Flow:

Fund Name & #	Department	Budget Control Level*	2011 Expenditures	2012 Anticipated Expenditures
TOTAL				

* See budget book to obtain the appropriate Budget Control Level for your department.

Spending/Cash Flow Notes:

Not applicable.

What is the financial cost of not implementing the legislation?

If the MFTE Program is not reauthorized, no new projects will be eligible to participate. As such, no revenues from applications will be collected. In addition to the lost application fees, some projects that need the property tax exemption might be cancelled. This could result in lost permit fees to the Department of Planning and Development (DPD).

Does this legislation affect any departments besides the originating department?

As is noted above, reauthorization of the MFTE Program could affect the amount of permit fees collected by DPD.

What are the possible alternatives to the legislation that could achieve the same or similar objectives?

The City's MFTE Program expired on December 31, 2010. Pursuant to SMC 5.73.120, reauthorization of the Program requires Council action via ordinance.

Is the legislation subject to public hearing requirements?

No.

Other Issues:

None.

List attachments to the fiscal note below:

None.



1 ~~below ninety percent (90%) of Median Income for two-bedroom and larger units))~~ 65 percent of
2 Median Income for studio units, at or below 75 percent of Median Income for one bedroom
3 units, and at or below 85 percent of Median Income for two bedroom and larger units.

4 ***

5
6 Section 2. Section 5.73.050 of the Seattle Municipal Code, which section was last
7 amended by Ordinance 122730, is hereby amended as follows:

8 **5.73.050 Application procedure – Fee((:))**

9 A. The Owner of Multifamily Housing applying for exemption under this chapter shall
10 submit an application to the Director, on a form (~~adopted by the City Council~~) provided by the
11 Office of Housing. The Owner shall verify the application by oath or affirmation. The
12 application shall contain such information as the Director may deem necessary or useful, and
13 shall include:

14 1. A brief written description of the units, and preliminary schematic site and
15 floor plans of the Multifamily Housing units and the structure(s) in which they are proposed to
16 be located;

17 2. A statement from the Owner acknowledging the potential tax liability when the
18 Multifamily Housing ceases to be eligible for exemption under this chapter;

19 3. Information describing how the Owner will comply with the affordability
20 requirements in (~~Subsections 5.73.040 B and C~~) subsections 5.73.040.B and C of this chapter;

21 4. In the case of rehabilitation or conversion of an existing vacant building,
22 verification from DPD of non-compliance with applicable building and housing codes as
23 required under Section (~~5.73.040 A 4~~) 5.73.040.A.4, and an affidavit from the Owner verifying
24 that the residential portion of the building has been vacant for a period of (~~twenty-four~~) 24
25 months prior to filing the application;

1 5. ~~((If available, a))~~ A housing market study that includes comparable rents or
2 sales prices in other nearby housing projects; and

3 6. ~~((For rental projects, a preliminary operating budget, utilizing a form provided~~
4 ~~by the Office of Housing that outlines annual anticipated operating income and expenses for the~~
5 ~~first ten (10) years of project operation))~~ A recent title report confirming the legal description and
6 ownership of the property where the Multifamily Housing is or will be located; evidence
7 satisfactory to the Director concerning the type of Owner entity or entities and organizational
8 structure; a sample signature block for the Owner(s); and evidence satisfactory to the Director of
9 authority of the person or persons signing the application.

10 B. At the time of application under this Section 5.73.050, the Owner shall pay to the City
11 an initial application fee of ~~(((\$6,000.00))~~ \$3,000 if the ~~((Project))~~ project contains only residential
12 uses for which a tax exemption is sought under this chapter, or ~~(((\$6,800.00))~~ \$3,400 if the
13 ~~((Project))~~ project contains any non-residential use. The Director ~~((application fees))~~ shall have
14 the authority to increase the application fee by up to five percent ((5%)) each calendar year
15 following adoption of this Ordinance, unless revised by Ordinance.

16 C. The Director shall notify the Owner within ~~((twenty-eight ()))~~ 28(()) days of the
17 application being filed if the Director determines that an application is not complete and shall
18 identify what additional information is required before the application will be complete. Within
19 ~~((twenty-eight ()))~~ 28(()) days of receiving additional information, the Director shall notify the
20 Owner in writing if the Director determines that the application is still not complete, and what
21 additional information is necessary. An application shall be deemed to be complete if the
22 Director does not notify the Owner in writing by the deadlines in the section that the application
23 is incomplete; however, a determination of completeness does not preclude the Director from
24 requiring additional information during the review process if more information is needed to
25 evaluate the application according to the criteria in this chapter.



1 D. The deadline for application ((is as follows:

2 ~~1. For Owners whose first building permit under SMC Chapter 22 for the Project~~
3 ~~was issued between July 22, 2007 and the effective date of this amendment to this chapter the~~
4 ~~application shall be submitted prior to completion of construction of the Project. Owners who~~
5 ~~meet the foregoing conditions and have previously submitted an application for exemption or~~
6 ~~received a Conditional Certificate of Tax Exemption may reapply for exemption under this~~
7 ~~chapter prior to completion of construction of the Project.~~

8 2. For all others, the application)) shall be ((submitted)) any time before, but no
9 later than, the date the first building permit under ((SMC))Chapter 22((;)) is issued.

10
11 Section 3. Section 5.73.060 of the Seattle Municipal Code, which section was last
12 amended by Ordinance 122730, is hereby amended as follows:

13 **5.73.060 Application review – Issuance of conditional certificate – Denial – Appeal –**
14 **Recording of contract((;))**

15 A. The Director shall approve or deny an application under this chapter within ((ninety
16))90((;)) days after a complete application is submitted to the Director.

17 B. If the application is approved, the ((applicant)) Owner shall enter into a contract with
18 the City((; subject to approval by resolution of the City Council,)) containing the terms and
19 conditions and eligibility for exemption under this chapter. ((The City Council's resolution to
20 approve the applicant's contract with the City shall be adopted within one hundred twenty (120)
21 days of the Director's receipt of a complete application.))

22 C. The Director is authorized to cause to be recorded, or to require the ((applicant or
23 owner))Owner to record, in the real property records of the King County Department of Records
24 and Elections, the contract or such other document(s) as will identify such terms and conditions

1 of eligibility for exemption under this chapter as the Director deems appropriate for recording,
2 including the affordability requirements under this chapter.

3 D. ~~((Upon Council approval of the contract,))~~ Following execution of the contract by the
4 Owner and the City, the Director ~~((shall execute the contract as approved by the City Council,~~
5 ~~and))~~ shall issue a ~~((e))~~ Conditional ~~((e))~~ Certificate of ~~((a))~~ Acceptance of ~~((t))~~ Tax ~~((e))~~ Exemption
6 ~~((“Conditional Certificate”)).~~ The ~~((e))~~ Conditional ~~((e))~~ Certificate shall expire three ~~((3))~~ years
7 from the date of approval unless an extension is granted as provided in this chapter.

8 E. If the application is denied, the Director shall state in writing the reasons for the
9 denial and send notice of denial to the ~~((applicant’s))~~ Owner’s last known address within ten
10 days of the denial.

11 F. An ~~((applicant))~~ Owner may appeal the Director’s denial of the application by filing
12 an appeal to the City Council with the City Clerk within ~~((thirty (30))~~ days of receipt of the
13 denial. The appeal before the City Council will be based on the record before the Director, and
14 the Director’s decision will be upheld unless the ~~((applicant))~~ Owner can show that there is no
15 substantial evidence in the record to support the Director’s decision. The City Council’s
16 decision on appeal is final.

17
18 Section 4. Section 5.73.065 of the Seattle Municipal Code, which section was last
19 amended by Ordinance 122730, is hereby amended as follows:

20 **5.73.065 Amendment of contract~~((:))~~**

21 A. An Owner may seek an amendment of the contract ~~((approved by the City~~
22 ~~Council))~~ between the Owner and the City by submitting a request in writing to the Director at
23 any time prior to receiving the Final Certificate of Tax Exemption ~~((“Final Certificate”))~~ ~~((within~~
24 ~~three (3) years of the date of the Council’s approval of the contract))~~.

1 ~~((B. The Director shall have authority to approve amendments to the contract between~~
2 ~~the Owner and the City that are within the scope and intent of the initial contract approved by the~~
3 ~~City Council. Amendments that are not reasonably within the scope and intent of the initial~~
4 ~~approved contract, as determined by the Director, shall be submitted to the City Council for~~
5 ~~approval by resolution.))~~

6 ~~((C. An Owner seeking amendments to the approved contract, which in the sole~~
7 ~~discretion of the Director require approval by the City Council, shall pay to the City an~~
8 ~~amendment application fee of \$750.00. If the City Council denies the amendment, the City will~~
9 ~~retain that portion of the fee attributable to its own administrative costs and refund the balance, if~~
10 ~~any, to the Owner.))~~

11 ~~((D)) B.~~ The date for expiration of the Conditional Certificate shall not be extended by
12 contract amendment unless(~~;~~

13 ~~1.))~~ the Director determines that ((A))all the conditions for extension set forth in
14 Section 5.73.070 are met(~~;~~~~or~~

15 ~~2. The conditions set forth in Section 5.73.070 A and B are met and the City~~
16 ~~Council specifically approves the extension)).~~

17
18 Section 5. Section 5.73.080 of the Seattle Municipal Code is hereby amended as
19 follows:

20 **5.73.080 Final Certificate – Application – Issuance – Denial and appeal(~~;~~)**

21 A. Upon completion of the rehabilitation improvements or new construction as provided
22 in the contract between the ~~((applicant))~~Owner and the City, and upon issuance of a temporary
23 certificate of occupancy, or a permanent certificate of occupancy if no temporary certificate is
24 issued, the ~~((applicant))~~Owner may request a Final Certificate ~~((of Tax Exemption))~~. The

THIS VERSION IS NOT ADOPTED



1 ((applicant))Owner shall file with the Director such information as the Director may deem
2 necessary or useful to evaluate eligibility for the Final Certificate, and shall include:

3 1. A statement of expenditures made with respect to each housing unit and the
4 total expenditures made with respect to the entire multifamily housing project;

5 2. A description of the completed work and a statement of qualifications for the
6 exemption;

7 3. A statement that the work was completed within the required three-year period
8 or any approved extension; and

9 4. Information on the ((applicant's))Owner's compliance with the affordability
10 requirements in subsections 5.73.040.B and C((G and H)).

11 ***

12 Section 6. Section 5.73.090 of the Seattle Municipal Code, which section was last
13 amended by Ordinance 122730, is hereby amended as follows:

14 **5.73.090 Exemption – Duration – Limits(~~+~~)**

15 A. The value of ((new construction and Rehabilitation Improvements))Multifamily
16 Housing qualifying under this chapter will be exempt from ad valorem property taxation as
17 provided in RCW 84.14.020 (1) as follows:

18 1. For eligible rental Multifamily Housing as provided in Section 5.73.040, for
19 ((twelve-))12((+)) successive years beginning January 1st of the year immediately following the
20 calendar year of issuance of the Final Certificate((of Tax Exemption)); or

21 2. For eligible units in owner-occupied Multifamily Housing as provided in
22 Section 5.73.040, for eight ((8)) successive years beginning January 1st of the year immediately
23 following the calendar year of issuance of the Final Certificate((of Tax Exemption)); or if at
24 least ((twenty))20 percent ((20%)) of all units in the owner-occupied Multifamily Housing are
25 eligible units, for ((twelve-))12((+)) successive years beginning January 1st of the year

1 immediately following the calendar year of issuance of the Final Certificate(~~of Tax~~
2 ~~Exemption~~)).

3
4 Section 7. Section 5.73.120 of the Seattle Municipal Code, which section was last
5 amended by Ordinance 122730, is hereby amended as follows:

6 **5.73.120 Expiration of program**

7 The program established by this chapter shall expire on (~~December 31, 2010,~~)
8 December 31, 2015, unless extended by the City Council by ordinance. Upon expiration, no
9 further applications (~~for a Conditional Certificate of Tax Exemption~~) under Section 5.73.050
10 shall be accepted. Incomplete applications shall be returned to the Owner. Pending applications
11 for a Conditional Certificate (~~of Tax Exemption~~), extension of Conditional Certificate(~~of Tax~~
12 ~~Exemption~~) and Final Certificate (~~of Tax Exemption~~) shall be processed as provided in this
13 chapter.

14
15 Section 8. Ordinance 121415, Section 2, is hereby amended as follows:

16 A. Annually, beginning in (~~2005, a committee composed of the Directors, or their~~
17 ~~designees, of~~) 2012, the Office of Housing(~~, the Department of Finance, the Department of~~
18 ~~Planning and Development, or such City departments or agencies that shall succeed to their~~
19 ~~functions with respect to this chapter, and a member City Council central staff,~~) shall review the
20 Multifamily Housing Property Tax Exemption ((p))Program ((established by this ordinance)) and
21 provide a written report to the City Council, which shall include: (~~outlining~~)

22 1. A summary of development activity,

23 2. (~~types and~~) The number((s)), size, and affordability level of units planned or
24 produced pursuant to Chapter 5.72 and Chapter 5.73,

1 3. ~~((and their))~~ The number and location((s,)) of projects planned or produced
2 pursuant to Chapter 5.72 and Chapter 5.73.

3 4. The number of projects owned by for-profit and nonprofit entities.

4 5. The rent and sales prices of the affordable and market rate units for projects
5 receiving a Final Certificate in the prior calendar year.

6 6. ~~((information regarding t))~~ The number of low and moderate income
7 households benefiting from the program,

8 7. ~~((t))~~ The estimated total amount of tax exempted annually and cumulatively for
9 individual projects and for the entire program,

10 8. ~~((t))~~ The estimated annual impact of the tax exemption program on the average
11 individual homeowner((s- of)) in the City, ~~((and other appropriate factors.))~~

12 9. The number of approved projects for which the tax exemption has expired or
13 the Final Certificate has been terminated, and

14 10. The number of units planned or produced in each Residential Targeted Area
15 pursuant to Chapter 5.72 and Chapter 5.73.

16 These reports may include recommendations on whether any neighborhoods should be
17 added or removed, whether affordability limits should be changed in certain areas, and will
18 include analysis of any issues related to the use of the program for homeownership units. The
19 annual report shall be submitted to the City Council no later than March 30 of each year the
20 program is in effect, starting in ~~((2005))~~2012. Each report shall include information for the
21 previous year. In June of ~~((2008))~~2015 the ~~((committee))~~ Office of Housing shall complete a
22 comprehensive review and provide a written report to the City Council regarding the
23 effectiveness of the program. Such review shall include the items included in the annual reports
24 as well as the costs and benefits of the program, an assessment of the affordability limits, and
25 any recommended program modifications.

1 B. The Office of Housing shall also provide the City Council with periodic reports on
2 recently approved applications for the Multifamily Housing Property Tax Exemption Program.
3 These reports shall be submitted to the City Council three times per calendar year and no later
4 than January 31, May 31 and September 30 of each year the program is in effect. Each report
5 shall provide information for the previous four-month reporting period, including:

6 1. The number of applications approved and the locations of the projects
7 described in each approved application,

8 2. The number, size and affordability of units in the projects described in the
9 approved applications,

10 3. The rent and sales prices of the affordable and market rate units,

11 4. The estimated total amount of tax exempted annually and cumulatively for
12 individual projects,

13 5. The estimated annual impact of each project on the average individual
14 homeowner in the City, and

15 6. Information about any pending applications received by the Office of Housing.

16
17 Section 9. Any act taken after passage of this ordinance consistent with the authority and
18 prior to the effective date of this ordinance is hereby ratified and confirmed.
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1 Section 10. This ordinance shall take effect and be in force 30 days after its approval by
2 the Mayor, but if not approved and returned by the Mayor within ten days after presentation, it
3 shall take effect as provided by Seattle Municipal Code Section 1.04.020.

4 Passed by the City Council the ____ day of _____, 2011, and
5 signed by me in open session in authentication of its passage this
6 ____ day of _____, 2011.

7 _____
8
9 President _____ of the City Council

10
11 Approved by me this ____ day of _____, 2011.

12
13 _____
14 Michael McGinn, Mayor

15
16 Filed by me this ____ day of _____, 2011.

17
18 _____
19 City Clerk

20 (Seal)



ORDINANCE

AN ORDINANCE relating to the Multifamily Housing Property Tax Exemption Program; amending Sections 5.73.040, 5.73.050, 5.73.060, 5.73.065, 5.73.080, 5.73.090, and 5.73.120 of the Seattle Municipal Code; amending Section 2 of Ordinance 121415; and ratifying and confirming certain prior acts.

WHEREAS, Chapter 5.73 of the Seattle Municipal Code was adopted by Ordinance 121415 and amended by Ordinances 121915 and 122730; and

WHEREAS, Ordinance 121415 requests the Executive to periodically prepare reports on program activity and recommend program modifications if needed; and

WHEREAS, Ordinance 122730 made substantial changes to the Multifamily Housing Property Tax Exemption Program; and

WHEREAS, the Executive's report dated August 2010 contains recommendations for further program amendments; and

WHEREAS, the City's Multifamily Housing Property Tax Exemption Program expired on December 31, 2010; NOW, THEREFORE,

BE IT ORDAINED BY THE CITY OF SEATTLE AS FOLLOWS:

Section 1. Subsection ~~((5.73.040-B))~~ 5.73.040.B of the Seattle Municipal Code, which section was last amended by Ordinance 122730, is hereby amended as follows:

5.73.040 Eligibility

B. In addition to the requirements in ~~((Subsection 5.73.040-A))~~ subsection 5.73.040.A above, rental projects must comply with the following affordability requirements from the date of application for the Final Certificate of Tax Exemption ("Final Certificate") for the duration of the exemption period:

1. A minimum of ~~((twenty))~~ 20 percent ~~((20%))~~ of all the units in the Project shall be Affordable Units rented to tenants whose Household Annual Income is at or below ~~((eighty percent (80%) of Median Income for studio units and one-bedroom units, and at or~~



1 ~~below ninety percent (90%) of Median Income for two-bedroom and larger units))~~ 65 percent of
2 Median Income for studio units, at or below 70 percent of Median Income for one bedroom
3 units, and at or below 80 percent of Median Income for two bedroom and larger units.

4 ***

5
6 Section 2. Section 5.73.050 of the Seattle Municipal Code, which section was last
7 amended by Ordinance 122730, is hereby amended as follows:

8 **5.73.050 Application procedure – Fee((:))**

9 A. The Owner of Multifamily Housing applying for exemption under this chapter shall
10 submit an application to the Director, on a form ~~((adopted by the City Council))~~ provided by the
11 Office of Housing. The Owner shall verify the application by oath or affirmation. The
12 application shall contain such information as the Director may deem necessary or useful, and
13 shall include:

14 1. A brief written description of the units, and preliminary schematic site and
15 floor plans of the Multifamily Housing units and the structure(s) in which they are proposed to
16 be located;

17 2. A statement from the Owner acknowledging the potential tax liability when the
18 Multifamily Housing ceases to be eligible for exemption under this chapter;

19 3. Information describing how the Owner will comply with the affordability
20 requirements in ~~((Subsections 5.73.040 B and C))~~ subsections 5.73.040.B and C of this chapter;

21 4. In the case of rehabilitation or conversion of an existing vacant building,
22 verification from DPD of non-compliance with applicable building and housing codes as
23 required under Section ~~((5.73.040 A 4))~~ 5.73.040.A.4, and an affidavit from the Owner verifying
24 that the residential portion of the building has been vacant for a period of ~~((twenty-four))~~ 24
25 months prior to filing the application;

1 5. ~~((If available, a))~~ A housing market study that includes comparable rents or
2 sales prices in other nearby housing projects; and

3 6. ~~((For rental projects, a preliminary operating budget, utilizing a form provided~~
4 ~~by the Office of Housing that outlines annual anticipated operating income and expenses for the~~
5 ~~first ten (10) years of project operation))~~ A recent title report confirming the legal description and
6 ownership of the property where the Multifamily Housing is or will be located; evidence
7 satisfactory to the Director concerning the type of Owner entity or entities and organizational
8 structure; a sample signature block for the Owner(s); and evidence satisfactory to the Director of
9 authority of the person or persons signing the application.

10 B. At the time of application under this Section 5.73.050, the Owner shall pay to the City
11 an initial application fee of ~~(((\$6,000.00))~~ \$3,000 if the ~~((Project))~~ project contains only residential
12 uses for which a tax exemption is sought under this chapter, or ~~(((\$6,800.00))~~ \$3,400 if the
13 ~~((Project))~~ project contains any non-residential use. The Director ~~((application fees))~~ shall have
14 the authority to increase the application fee by up to five percent ((5%)) each calendar year
15 following adoption of this Ordinance, unless revised by Ordinance.

16 C. The Director shall notify the Owner within ~~((twenty-eight ()))~~ 28(()) days of the
17 application being filed if the Director determines that an application is not complete and shall
18 identify what additional information is required before the application will be complete. Within
19 ~~((twenty-eight ()))~~ 28(()) days of receiving additional information, the Director shall notify the
20 Owner in writing if the Director determines that the application is still not complete, and what
21 additional information is necessary. An application shall be deemed to be complete if the
22 Director does not notify the Owner in writing by the deadlines in the section that the application
23 is incomplete; however, a determination of completeness does not preclude the Director from
24 requiring additional information during the review process if more information is needed to
25 evaluate the application according to the criteria in this chapter.

1 D. The deadline for application ((is as follows:

2 ~~1. For Owners whose first building permit under SMC Chapter 22 for the Project~~
3 ~~was issued between July 22, 2007 and the effective date of this amendment to this chapter the~~
4 ~~application shall be submitted prior to completion of construction of the Project. Owners who~~
5 ~~meet the foregoing conditions and have previously submitted an application for exemption or~~
6 ~~received a Conditional Certificate of Tax Exemption may reapply for exemption under this~~
7 ~~chapter prior to completion of construction of the Project.~~

8 2. For all others, the application)) shall be ((submitted)) any time before, but no
9 later than, the date the first building permit under ((SMC-))Chapter 22((;-)) is issued.

10
11 Section 3. Section 5.73.060 of the Seattle Municipal Code, which section was last
12 amended by Ordinance 122730, is hereby amended as follows:

13 **5.73.060 Application review – Issuance of conditional certificate – Denial – Appeal –**
14 **Recording of contract((;-))**

15 A. The Director shall approve or deny an application under this chapter within ((ninety
16 (;-))90((;-)) days after a complete application is submitted to the Director.

17 B. If the application is approved, the ((applicant)) Owner shall enter into a contract with
18 the City((;-subject to approval by resolution of the City Council,)) containing the terms and
19 conditions and eligibility for exemption under this chapter. ((The City Council's resolution to
20 approve the applicant's contract with the City shall be adopted within one hundred twenty (120)
21 days of the Director's receipt of a complete application.))

22 C. The Director is authorized to cause to be recorded, or to require the ((applicant or
23 owner))Owner to record, in the real property records of the King County Department of Records
24 and Elections, the contract or such other document(s) as will identify such terms and conditions
25
26
27
28

1 of eligibility for exemption under this chapter as the Director deems appropriate for recording,
2 including the affordability requirements under this chapter.

3 D. ~~((Upon Council approval of the contract,))~~ Following execution of the contract by the
4 Owner and the City, the Director ~~((shall execute the contract as approved by the City Council,~~
5 ~~and))~~ shall issue a ~~((e))~~ Conditional ~~((e))~~ Certificate of ~~((a))~~ Acceptance of ~~((t))~~ Tax ~~((e))~~ Exemption
6 ~~((“Conditional Certificate”)).~~ The ~~((e))~~ Conditional ~~((e))~~ Certificate shall expire three ~~((3))~~ years
7 from the date of approval unless an extension is granted as provided in this chapter.

8 E. If the application is denied, the Director shall state in writing the reasons for the
9 denial and send notice of denial to the ~~((applicant’s))~~ Owner’s last known address within ten
10 days of the denial.

11 F. An ~~((applicant))~~ Owner may appeal the Director’s denial of the application by filing
12 an appeal to the City Council with the City Clerk within ~~((thirty-))~~30~~(())~~ days of receipt of the
13 denial. The appeal before the City Council will be based on the record before the Director, and
14 the Director’s decision will be upheld unless the ~~((applicant))~~ Owner can show that there is no
15 substantial evidence in the record to support the Director’s decision. The City Council’s
16 decision on appeal is final.

17
18 Section 4. Section 5.73.065 of the Seattle Municipal Code, which section was last
19 amended by Ordinance 122730, is hereby amended as follows:

20 **5.73.065 Amendment of contract~~((r))~~**

21 A. An Owner may seek an amendment of the contract ~~((approved by the City~~
22 ~~Council))~~ between the Owner and the City by submitting a request in writing to the Director at
23 any time prior to receiving the Final Certificate of Tax Exemption (“Final Certificate”) ~~((within~~
24 ~~three (3) years of the date of the Council’s approval of the contract)).~~

1 ~~((B. The Director shall have authority to approve amendments to the contract between~~
2 ~~the Owner and the City that are within the scope and intent of the initial contract approved by the~~
3 ~~City Council. Amendments that are not reasonably within the scope and intent of the initial~~
4 ~~approved contract, as determined by the Director, shall be submitted to the City Council for~~
5 ~~approval by resolution.))~~

6 ~~((C. An Owner seeking amendments to the approved contract, which in the sole~~
7 ~~discretion of the Director require approval by the City Council, shall pay to the City an~~
8 ~~amendment application fee of \$750.00. If the City Council denies the amendment, the City will~~
9 ~~retain that portion of the fee attributable to its own administrative costs and refund the balance, if~~
10 ~~any, to the Owner.))~~

11 ~~((D)) B.~~ The date for expiration of the Conditional Certificate shall not be extended by
12 contract amendment unless~~((:))~~

13 ~~—— 1. the Director determines that ((A))all the conditions for extension set forth in~~
14 ~~Section 5.73.070 are met; or~~

15 ~~—— 2. The conditions set forth in Section 5.73.070 A and B are met and the City~~
16 ~~Council specifically approves the extension)).~~

17
18 Section 5. Section 5.73.080 of the Seattle Municipal Code is hereby amended as
19 follows:

20 **5.73.080 Final Certificate – Application – Issuance – Denial and appeal~~((:))~~**

21 A. Upon completion of the rehabilitation improvements or new construction as provided
22 in the contract between the ~~((applicant))~~Owner and the City, and upon issuance of a temporary
23 certificate of occupancy, or a permanent certificate of occupancy if no temporary certificate is
24 issued, the ~~((applicant))~~Owner may request a Final Certificate ~~((of Tax Exemption))~~. The
25
26
27

THIS VERSION IS NOT ADOPTED



1 ((applicant))Owner shall file with the Director such information as the Director may deem
2 necessary or useful to evaluate eligibility for the Final Certificate, and shall include:

3 1. A statement of expenditures made with respect to each housing unit and the
4 total expenditures made with respect to the entire multifamily housing project;

5 2. A description of the completed work and a statement of qualifications for the
6 exemption;

7 3. A statement that the work was completed within the required three-year period
8 or any approved extension; and

9 4. Information on the ((applicant's))Owner's compliance with the affordability
10 requirements in subsections 5.73.040, B and C((G and H)).

11 ***

12 Section 6. Section 5.73.090 of the Seattle Municipal Code, which section was last
13 amended by Ordinance 122730, is hereby amended as follows:

14 **5.73.090 Exemption – Duration – Limits((r))**

15 A. The value of ((new construction and Rehabilitation Improvements))Multifamily
16 Housing qualifying under this chapter will be exempt from ad valorem property taxation as
17 provided in RCW 84.14.020 (1) as follows:

18 1. For eligible rental Multifamily Housing as provided in Section 5.73.040, for
19 ((twelve-))12((r)) successive years beginning January 1st of the year immediately following the
20 calendar year of issuance of the Final Certificate((of Tax Exemption)); or

21 2. For eligible units in owner-occupied Multifamily Housing as provided in
22 Section 5.73.040, for eight ((8)) successive years beginning January 1st of the year immediately
23 following the calendar year of issuance of the Final Certificate((of Tax Exemption)); or if at
24 least ((twenty))20 percent ((20%)) of all units in the owner-occupied Multifamily Housing are
25 eligible units, for ((twelve-))12((r)) successive years beginning January 1st of the year
26



1 immediately following the calendar year of issuance of the Final Certificate(~~of Tax~~
2 ~~Exemption~~)).

3
4 Section 7. Section 5.73.120 of the Seattle Municipal Code, which section was last
5 amended by Ordinance 122730, is hereby amended as follows:

6 **5.73.120 Expiration of program**

7 The program established by this chapter shall expire on (~~December 31, 2010,~~)
8 December 31, 2015, unless extended by the City Council by ordinance. Upon expiration, no
9 further applications (~~for a Conditional Certificate of Tax Exemption~~) under Section 5.73.050
10 shall be accepted. Incomplete applications shall be returned to the Owner. Pending applications
11 for a Conditional Certificate (~~of Tax Exemption~~), extension of Conditional Certificate(~~of Tax~~
12 ~~Exemption~~) and Final Certificate (~~of Tax Exemption~~) shall be processed as provided in this
13 chapter.

14
15 Section 8. Ordinance 121415, Section 2, is hereby amended as follows:

16 A. Annually, beginning in (~~2005, a committee composed of the Directors, or their~~
17 ~~designees, of~~) 2012, the Office of Housing(~~, the Department of Finance, the Department of~~
18 ~~Planning and Development, or such City departments or agencies that shall succeed to their~~
19 ~~functions with respect to this chapter, and a member City Council central staff,~~) shall review the
20 Multifamily Housing Property Tax Exemption ((p))Program ((established by this ordinance)) and
21 provide a written report to the City Council, which shall include: ((outlining))

- 22 1. A summary of development activity,
23 2. (~~types and~~) The number((s)), size, and affordability level of units planned or
24 produced pursuant to Chapter 5.72 and Chapter 5.73,

1 3. ~~((and their))~~ The number and location~~((s,))~~ of projects planned or produced
2 pursuant to Chapter 5.72 and Chapter 5.73.

3 4. The number of projects owned by for-profit and nonprofit entities.

4 5. The rent and sales prices of the affordable and market rate units for projects
5 receiving a Final Certificate in the prior calendar year.

6 6. ~~((information regarding t))~~ The number of low and moderate income
7 households benefiting from the program,

8 7. ~~((t))~~The estimated total amount of tax exempted annually and cumulatively for
9 individual projects and for the entire program.

10 8. ~~((t))~~The estimated annual impact of the tax exemption program on the average
11 individual homeowner~~((s-of))~~ in the City, ~~((and other appropriate factors.))~~

12 9. The number of approved projects for which the tax exemption has expired or
13 the Final Certificate has been terminated, and

14 10. The number of units planned or produced in each Residential Targeted Area
15 pursuant to Chapter 5.72 and Chapter 5.73.

16 These reports may include recommendations on whether any neighborhoods should be
17 added or removed, whether affordability limits should be changed in certain areas, and will
18 include analysis of any issues related to the use of the program for homeownership units. The
19 annual report shall be submitted to the City Council no later than March 30 of each year the
20 program is in effect, starting in ~~((2005))~~2012. Each report shall include information for the
21 previous year. In June of ~~((2008))~~2015 the ~~((committee))~~ Office of Housing shall complete a
22 comprehensive review and provide a written report to the City Council regarding the
23 effectiveness of the program. Such review shall include the items included in the annual reports
24 as well as the costs and benefits of the program, an assessment of the affordability limits, and
25 any recommended program modifications.

1 B. The Office of Housing shall also provide the City Council with periodic reports on
2 recently approved applications for the Multifamily Housing Property Tax Exemption Program.

3 These reports shall be submitted to the City Council three times per calendar year and no later
4 than January 31, May 31 and September 30 of each year the program is in effect. Each report
5 shall provide information for the previous four-month reporting period, including:

6 1. The number of applications approved and the locations of the projects
7 described in each approved application,

8 2. The number, size and affordability of units in the projects described in the
9 approved applications,

10 3. The rent and sales prices of the affordable and market rate units,

11 4. The estimated total amount of tax exempted annually and cumulatively for
12 individual projects,

13 5. The estimated annual impact of each project on the average individual
14 homeowner in the City, and

15 6. Information about any pending applications received by the Office of Housing.

16
17 Section 9. Any act taken after passage of this ordinance consistent with the authority and
18 prior to the effective date of this ordinance is hereby ratified and confirmed.

THIS VERSION IS NOT ADOPTED



1 Section 10. This ordinance shall take effect and be in force 30 days after its approval by
2 the Mayor, but if not approved and returned by the Mayor within ten days after presentation, it
3 shall take effect as provided by Seattle Municipal Code Section 1.04.020.

4 Passed by the City Council the ____ day of _____, 2011, and
5 signed by me in open session in authentication of its passage this
6 ____ day of _____, 2011.

7 _____
8 _____
9 President _____ of the City Council

10
11 Approved by me this ____ day of _____, 2011.

12 _____
13 _____
14 Michael McGinn, Mayor

15
16 Filed by me this ____ day of _____, 2011.

17 _____
18 _____
19 City Clerk

20 (Seal)

THIS VERSION IS NOT ADOPTED



STATE OF WASHINGTON – KING COUNTY

--SS.

268254
CITY OF SEATTLE, CLERKS OFFICE

No. 123546-552

Affidavit of Publication

The undersigned, on oath states that he is an authorized representative of The Daily Journal of Commerce, a daily newspaper, which newspaper is a legal newspaper of general circulation and it is now and has been for more than six months prior to the date of publication hereinafter referred to, published in the English language continuously as a daily newspaper in Seattle, King County, Washington, and it is now and during all of said time was printed in an office maintained at the aforesaid place of publication of this newspaper. The Daily Journal of Commerce was on the 12th day of June, 1941, approved as a legal newspaper by the Superior Court of King County.

The notice in the exact form annexed, was published in regular issues of The Daily Journal of Commerce, which was regularly distributed to its subscribers during the below stated period. The annexed notice, a

CT: TITLE ONLY ORDINANCE

was published on

03/11/11

The amount of the fee charged for the foregoing publication is the sum of \$ 109.20, which amount has been paid in full.



Affidavit of Publication

Subscribed and sworn to before me on

03/11/11

Notary public for the State of Washington,
residing in Seattle

State of Washington, King County

City of Seattle

TITLE-ONLY PUBLICATION

The full text of the following ordinances, passed by the City Council on February 28, 2011, and published here by title only, will be mailed upon request, or can be accessed at <http://clerk.seattle.gov>. For further information, contact the Seattle City Clerk at 684-8344.

ORDINANCE NO. 123546

AN ORDINANCE relating to habitable and vacant buildings; amending Sections 22.206.040, 22.206.090, 22.206.130, 22.206.160, 22.206.200, and 23.91.002 of the Seattle Municipal Code to update habitable and vacant building regulations and related enforcement provisions.

ORDINANCE NO. 123547

AN ORDINANCE related to land use and zoning, adopting new development standards for solid waste transfer stations and utility services uses, amending Seattle Municipal Code Sections 23.44.022, 23.45.504, 23.47A.016, 23.48.024, 23.49.029, 23.50.034, 23.50.036, and 23.50.038, and adopting new Sections 23.44.036 and 23.50.040.

ORDINANCE NO. 123548

AN ORDINANCE relating to grant funds from the US Department of Justice (DOJ), Bureau of Justice Assistance; authorizing the Mayor or his designee to execute related agreements; increasing an appropriation in the 2011 Adopted Budget for the Police Department; and ratifying and confirming certain prior acts; all by a three-fourths vote of the City Council.

ORDINANCE NO. 123549

AN ORDINANCE relating to replacing the South Park Bridge; authorizing execution of an Interlocal Agreement between King County and the City of Seattle regarding mutual roles and responsibilities regarding the funding and construction of a new South Park Bridge, and ratifying and confirming prior acts.

ORDINANCE NO. 123550

AN ORDINANCE relating to the Multifamily Housing Property Tax Exemption Program; amending Sections 5.73.040, 5.73.050, 5.73.060, 5.73.065, 5.73.080, 5.73.090, and 5.73.120 of the Seattle Municipal Code; amending Section 2 of Ordinance 121415; and ratifying and confirming certain prior acts.

ORDINANCE NO. 123551

AN ORDINANCE relating to security from terrorism; authorizing the City to partner with the State of Washington and King County to receive financial assistance from the Department of Homeland Security (DHS), Office for State and Local Government Coordination and Preparedness under the Urban Areas Security Initiative Grant for Federal Fiscal Year (FFY) 2010 (UASI FFY '10), authorizing an application for allocation of funds under that agreement, increasing appropriations to the Police Department and Fire Department in the 2011 Budget, and ratifying and confirming prior acts; all by a three-fourths vote of the City Council.

ORDINANCE NO. 123552

AN ORDINANCE appropriating money to pay certain audited claims and ordering the payment thereof.

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